

TO: Hospital Administrators

RE: Administration of the Employee Organization and Association Plans - Federal Employees Health Benefits Act - Underwritten by the Mutual Benefit Health and Accident Association (Mutual of Omaha).

The Federal Employees Health Benefits Act of 1959 which provides for the establishment of a Health Benefits program for government employees and their dependents became effective July 1, 1960. Among the Plans approved by the Civil Service Commission are four employee organization and association plans underwritten by Mutual of Omaha. These Plans are sponsored by (1) the American Federation of Government Employees, (2) the Government Employees Benefit Association, (3) the Government Employees Health Association (referred to as "The Association"), and (4) the American Foreign Service Protective Association.

In the interest of continuing the mutually satisfactory systems between the admitting offices of the local hospitals and Mutual of Omaha relative to the hospital admissions of persons insured under our Group Programs, Mutual of Omaha has prepared its identification material for ease of operation in this connection and has established a set of guarantees to assist the hospital admitting offices. Mutual of Omaha and the United States Civil Service Commission are hopeful that these systems will enable all government employees insured under Plans underwritten by Mutual of Omaha to be admitted to your hospitals without the requirement of a deposit payment or evidence of ability to pay.

A description of the support material and the system of guarantees as they apply to each of the four plans follows:

Each government employee insured under one of the above plans will be given an identification card (samples attached). You will note that when the Plan has two options a separate and different colored card is issued for each option. The reverse side of each card gives a brief summary of the hospital benefits payable for the applicable option of the Plan under which the government employee is insured, and should be of great assistance to the hospital admitting office in determining the type, the size, and the amount of benefits.

Mutual of Omaha will guarantee benefits without reservation for the holders of identification cards of the Government Employees Benefit Association and the Government Employees Health Association (the Association). IT WILL NOT BE NECESSARY FOR THE HOSPITAL ADMITTING OFFICE TO VERIFY COVERAGE FOR THESE TWO PLANS.

When the patient being admitted is insured under the Plan of Insurance available to members of the American Federation of Government Employees, we ask that the hospital verify coverage with the American Federation of Government Employees Insurance Department. In the Washington, D. C. area, coverage may be verified

by calling REpublic 7-4705. If the hospital is located outside of the Washington, D. C. area, wire collect to American Federation of Government Employees Insurance Department, FAX, Washington, D. C.

Mutual of Omaha guarantees payment for holders of AFGE identification cards from the time of admission to the time the hospital receives confirmation from AFGE, provided that the hospital forwards a request for confirmation (by collect telegram) to AFGE within 6 hours after admittance. Before payment is made by Mutual under this guarantee for a person not otherwise eligible for benefits, the hospital must attempt to collect the amount from the patient.

Complete instructions concerning verification of coverage and the system of guarantees is shown on the identification cards issued to insured members of AFGE. (See attached samples.)

It is not anticipated that the local hospitals will have any great volume of admissions for insured members of the American Foreign Service Protective Association; however, the same system of guarantees applies to this Insurance Plan as for the American Federation of Government Employees. Coverage can be verified by contacting the American Foreign Service Protective Association, 1908 G Street, N. W., Washington 6, D. C. (National 8-4104).

The hospital admitting office should obtain an "assignment of benefits" form at the time of admission, if benefits are to be paid directly to the hospital. Mutual of Omaha does not presently plan to furnish the hospitals with claim forms, since all that is required from the hospital for the support of a claim for benefits is an itemized hospital bill (the regular claim form (samples attached) is completed by the attending physician and the insured); and it is felt that the hospitals would prefer to prepare their billings under their regular billing system and that any special insurance form would involve additional work for the hospital staff. Likewise, since most hospitals have designed and prefer to use their own "assignment of benefits" form, no special form has been prepared for this purpose by Mutual of Omaha. If at a later date it is determined that special forms will simplify the procedures for the hospitals, Mutual of Omaha will be glad to prepare this special material. (Note: Any of the Standard Report Forms approved by the Health Insurance Council are acceptable to Mutual of Omaha.)

Note on assignments: Since Civil Service regulations require that two identification cards be issued to the insured when family coverage is involved (one for the insured and one for the spouse) the hospitals are cautioned to be sure that the "assignment of benefits" form is signed by the principal insured or policyholder. Should an "assignment form" inadvertently be signed by the dependent spouse, Mutual of Omaha will honor the assignment, but for legal reasons must issue the benefits draft jointly to the insured and the hospital. This latter method of payment could place an additional burden on the hospital collections office, and we are sure that the hospitals will desire to avoid this whenever possible.

All of the four plans referred to will be serviced by the Washington, D. C. office of the Mutual of Omaha; Joseph E. Jones, General Agent, 102 Ring Building, Washington 6, D. C. (Telephone: FEderal 8-3000). Should the local hospitals experience any difficulties in connection with these Plans of Insurance; or if the hospital administrators and their staff need any assistance or have any suggestions concerning the procedures outlined here, we hope that you will feel free to contact the Mutual of Omaha office.

Thank you for your cooperation and assistance.

Yours sincerely,

A handwritten signature in cursive script, appearing to read "Joseph E. Jones". The signature is written in dark ink and is positioned above the typed name.

Joseph E. Jones, General Agent
Mutual of Omaha